

FOREWORD

While the Reports Consolidation Act of 2000 permitted consolidation of a variety of management reports including (but not limited to) the annual CFO audited financial statements (Accountability) report and the GPRA (Government Performance and Results Act) report, the Office of Management and Budget (OMB) now requires that these documents be consolidated beginning with the FY 2002 audit cycle. OMB's October 18, 2002 memorandum to Chief Financial Officers and Inspectors General also imposes an earlier deadline for submitting the annual Performance and Accountability Report to OMB and the Congress. For the FY 2002 and 2003 audit cycles, the combined Report must be submitted by February 1, 2003 and 2004, respectively. [Beginning with the FY 2004 audit cycle and thereafter, the Performance and Accountability Report must be submitted by November 15 of the same calendar year. The Department of Health and Human Services (DHHS) has decided to pilot the November 15 deadline during the FY 2003 audit cycle and has been working with the Operating Divisions (OPDIVs) to implement a "top-down" audit strategy.]

To assure that DHHS would be able to accomplish the February 1, 2003 (actually, Friday, January 31, 2003) deadline for submitting the FY 2002 Performance and Accountability Report, the Department established very compressed milestone dates to help OPDIVs complete their FY 2002 audit activities. The draft Management Discussion and Analysis (MD&A) section of ACF's FY 2002 audit report (and the draft Assistant Secretary Message) was due to the Department and the auditors by November 8, 2002 with comments due back to ACF by November 18. ACF's final MD&A was due to the Department and the auditors by December 2. The final audit report (including signed Assistant Secretary and Chief Financial Officer Messages; the final financial statements; and the auditors' report, opinion, findings, recommendations and ACF's management response—parts of the ACF audit report that will not become available until late December) is due to the Department on or before January 31, 2003.

For many OPDIVs including ACF, this new audit reporting cycle is out of sync with the availability of FY 2002 GPRA performance measurement "actual" data. Consequently, ACF will be reporting FY 2001 actual data (where available) rather than FY 2002 actual data for the select performance measures highlighted in the MD&A.